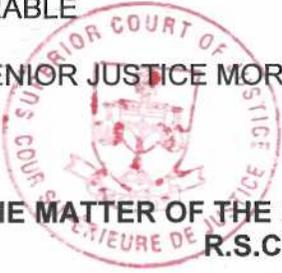


ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE )  
REGIONAL SENIOR JUSTICE MORAWETZ )  
WEDNESDAY THE 24th  
DAY OF APRIL, 2019

 IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PAYLESS  
SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.

(the "Applicants")

ORDER  
(CLAIMS PROCEDURE ORDER)

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**"), was heard this day at 330 University Avenue, Toronto, Ontario by way of Court Call.

**ON READING** the Notice of Motion of the Applicants, the affidavit of Adrian Frankum sworn April 17, 2019 and the third report of FTI Consulting Canada Inc. ("**FTI**") in its capacity as monitor of the Applicants and Payless ShoeSource Canada LP (collectively, the "**Payless Canada Entities**") dated April 18, 2019, and on hearing the submissions of counsel for the Payless Canada Entities, FTI in its capacity as court-appointed monitor ("**Monitor**"), and such other parties as were present by Court Call, no one else appearing although duly served as appears from the affidavit of service of Taschina Ashmeade sworn April 18, 2019 filed;

## SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time and method for service and notice of this Motion is hereby abridged and validated and this Motion is properly returnable today without further service or notice thereof.

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "**Claims Procedure Order**"), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) "**Additional WEPPA Claim**" has the meaning set forth in paragraph 23 of this Claims Procedure Order;
- (b) "**Affiliate**" means, in relation to a party, a body corporate;
  - (i) which is directly or indirectly controlled by such party; or
  - (ii) which directly or indirectly controls such party; or
  - (iii) which is, directly or indirectly, controlled by a body corporate that also, directly or indirectly controls such party.

For the purpose of this definition, "**control**" of a body corporate means the direct or indirect power to direct, administer and dictate policies or management of such body corporate, it being understood and agreed that control of a body corporate can be exercised without direct or indirect ownership of fifty percent (50%) or more of its voting shares, provided always that the ownership of the right to exercise fifty percent (50%) or more of the voting rights of a given body corporate shall be deemed to be effective control hereunder. For the avoidance of doubt, the joint venture partners of the U.S. Debtors shall not be "Affiliates" for purposes of this Order;

- (c) "**Amended Claim Statement**" has the meaning set forth in paragraph 21 of this Claims Procedure Order
- (d) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any province or territory or municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment,

notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

- (e) **"Business Day"** means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (f) **"CCAA Proceedings"** means these proceedings in respect of the Payless Canada Entities pursuant to the CCAA;
- (g) **"Chapter 11 Claims Procedure"** means the claims process approved by the U.S. Bankruptcy Court pursuant to an order granted April 23, 2019 to be conducted within the U.S. Proceedings in respect of the U.S. Debtors other than the Payless Canada Entities;
- (h) **"Chapter 11 Proof of Claim"** means a proof of claim against any of the Payless Canada Entities filed in the Chapter 11 Claims Procedure;
- (i) **"Claim"** means:
  - (i) any right or claim of any Person against any of the Payless Canada Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Payless Canada Entities in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had such Payless Canada Entity become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim against any of the Payless Canada Entities for indemnification by any Director or Officer in respect of a Director/Officer

Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order)), in each case, where such monies remain unpaid as of the date hereof (each, a "**Prefiling Claim**", and collectively, the "**Prefiling Claims**");

- (ii) any right or claim of any Person against any of the Payless Canada Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any of the Payless Canada Entities to such Person arising out of (A) the restructuring, disclaimer, rescission, termination or breach by any of the Payless Canada Entities on or after the Filing Date of any contract, lease or other agreement or arrangement whether written or oral or (B) the termination of employment with any of the Payless Canada Entities on or after the Filing Date, whether arising by contract, under statute or otherwise (each, a "**Restructuring Period Claim**", and collectively, the "**Restructuring Period Claims**"); and
- (iii) any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer (each a "**Director/Officer Claim**", and collectively, the "**Director/Officer Claims**"),

including any Claim arising through subrogation against any Payless Canada Entity or Director or Officer, provided however, that in any case "Claim" shall not include an Excluded Claim;

- (j) **"Claim Document Package"** means a document package that contains a copy of the Instruction Letter, the Notice to Claimants, a Claim Statement and Notice of Dispute of Claim Statement (in respect of a document package delivered to a Listed Claimant), a Proof of Claim (in respect of a document package delivered to a Claimant other than a Listed Claimant), and such other materials as the Monitor and the Payless Canada Entities may consider appropriate or desirable;
- (k) **"Claim Statement"** means a General Claim Statement, Employee Claim Statement or Landlord Claim Statement, substantially in the form attached hereto as Schedule "D-1", Schedule "D-2" or Schedule "D-3", as applicable;
- (l) **"Claimant"** means any Person having or asserting a Claim;
- (m) **"Claims Bar Date"** means 11:59 p.m. (Central Time) on June 7, 2019, or such later date as may be ordered by the Court;
- (n) **"Claims Procedure"** means the procedures outlined in this Claims Procedure Order in connection with the solicitation and assertion of Claims against any of the Payless Canada Entities or the Directors or Officers or any of them, as amended or supplemented by further order of the Court;
- (o) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (p) **"D&O Indemnity Claim"** means any existing or future right of any Director or Officer against any of the Payless Canada Entities which arose or arises as a result of a Listed Claim or any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Payless Canada Entities;
- (q) **"Directors"** means all current and former directors (or their estates) of any of the Payless Canada Entities, in such capacity, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise, Directors, and **"Director"** means any one of them;
- (r) **"Employee Claim Statement"** means an Employee Claim Statement substantially in the form attached hereto as Schedule "D-2";
- (s) **"Equity Claim"** has the meaning set forth in Section 2(1) of the CCAA;

- (t) **"Excluded Claim"** means:
  - (i) any Claim secured by any of the Charges (as that term is defined in the Initial Order);
  - (ii) any Claim of a U.S. Debtor or other Affiliate of the U.S. Debtors; and
  - (iii) and for greater certainty, shall include any Excluded Claim arising through subrogation;
- (u) **"Filing Date"** means February 19, 2019;
- (v) **"General Claim Statement"** means a General Claim substantially in the form attached hereto as Schedule "D-1";
- (w) **"Initial Order"** means the Initial Order under the CCAA dated February 19, 2019, as amended, restated or varied from time to time;
- (x) **"Instruction Letter"** means the instruction letter to Claimants, in substantially the form attached as Schedule "A" hereto, regarding completion by Claimants of the Proof of Claim and the Notice of Dispute of Claim Statement;
- (y) **"Landlord Claim Statement"** means a Landlord Claim Statement substantially in the form attached hereto as Schedule "D-3";
- (z) **"Listed Claim"** has the meaning set forth in paragraph 18 of this Claims Procedure Order or on Schedule D-1, Scheduled D-2 or Schedule D-3 hereto, as applicable;
- (aa) **"Listed Claimants"** means a Claimants to whom a General Claim Statement, Employee Claim Statement or a Landlord Claim Statement is delivered pursuant to paragraph 18 of this Claims Procedure Order;
- (bb) **"Known Claimants"** means with respect to any of the Payless Canada Entities, or the Directors or Officers or any of them:
  - (i) those Claimants that the books and records of any of the Payless Canada Entities disclose were owed monies by any of the Payless Canada Entities as of the Filing Date, where such monies remain unpaid in full or in part as of the date hereof;

- (ii) any Person who commenced a legal proceeding against any of the Payless Canada Entities or one or more Directors or Officers in respect of a Claim, which legal proceeding was commenced and served prior to the Filing Date;
  - (iii) any Person who has filed a Chapter 11 Proof of Claim as of the date of this Claims Procedure Order; and
  - (iv) any other Claimant of whom the Payless Canada Entities have knowledge as at the date of this Claims Procedure Order and for whom the Payless Canada Entities have a current address or other contact information;
- (cc) **“Meeting”** means a meeting of the Claimants of the Payless Canada Entities called for the purpose of considering and voting in respect of a Plan, if any;
- (dd) **“Monitor”** has the meaning set out in the recitals hereto;
- (ee) **“Monitor’s Website”** means the website maintained by the Monitor at <http://cfcanada.fticonsulting.com/paylesscanada/> ;
- (ff) **“Notice of Dispute of Claim Statement”** means a notice in substantially the form attached hereto as Schedule “E”;
- (gg) **“Notice to Claimants”** means the notice to Claimants for publication in substantially the form attached as Schedule “B” hereto;
- (hh) **“Officers”** means all current and former officers (or their estates) of any of the Payless Canada Entities, in such capacity, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise, Officers and **“Officer”** means any one of them;
- (ii) **“Payless Canada Entities”** means Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc., and Payless ShoeSource Canada LP and each a **“Payless Canada Entity”**;
- (jj) **“Person”** means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial,

regulatory or administrative entity howsoever designated or constituted, including, without limitation, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sub-landlord, tenant, sub-tenant, licensor, licensee, partner or advisor;

- (kk) **"Plan"** means any plan of compromise or arrangement or plan of reorganization filed by or in respect of any or all of the Payless Canada Entities, as may be amended, supplemented or restated from time to time in accordance with the terms thereof;
- (ll) **"Prime Clerk"** means Prime Clerk LLC, the U.S. Debtors' notice and claims agent in the U.S. Proceedings;
- (mm) **"Proof of Claim"** means a proof of claim form in substantially the form attached hereto as Schedule "C";
- (nn) **"Restructuring Period Claims Bar Date"** means, in respect of a Restructuring Period Claim, 11:59 p.m. (Central Time) on the date that is the later of (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim to a Claimant;
- (oo) **"Service List"** means the service list maintained by the Monitor in respect of these CCAA Proceedings;
- (pp) **"U.S. Bankruptcy Court"** means the United States Bankruptcy Court for the Eastern District of Missouri;
- (qq) **"U.S. Debtors"** means Payless Holdings LLC; Payless Intermediate Holdings LLC; WBG-PSS Holdings LLC; Payless Inc.; Payless Finance, Inc.; Collective Brands Services, Inc.; PSS Delaware Company 4, Inc.; Shoe Sourcing, Inc.; Payless ShoeSource, Inc.; Eastborough, Inc.; Payless Purchasing Services, Inc.; Payless ShoeSource Merchandising, Inc.; Payless Gold Value CO, Inc.; Payless ShoeSource Distribution, Inc.; Payless ShoeSource Worldwide, Inc.; Payless NYC, Inc.; Payless ShoeSource of Puerto Rico, Inc.; Payless Collective GP, LLC; Collective Licensing, L.P.; Collective Licensing International LLC; Clinch, LLC; Collective Brands Franchising Services, LLC; Payless International Franchising, LLC; PSS Canada, Inc.; Payless ShoeSource Canada Inc.; Payless ShoeSource

Canada GP Inc.; and Payless ShoeSource Canada LP and such other entities as are or may be debtors for purposes of the U.S. Proceedings;

- (rr) **"U.S. Proceedings"** means the proceedings commenced on February 18, 2019 by the U.S. Debtors under chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court; and
- (ss) **"WEPPA"** means the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1.

### **GENERAL PROVISIONS**

3. **THIS COURT ORDERS** that all references to time herein shall mean Toronto time and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

6. **THIS COURT ORDERS** that the Claims Procedure and the forms of Notice to Claimants, Instruction Letter, Proof of Claim, General Claim Statement, Employee Claim Statement, Landlord Claim Statement, and Notice of Dispute of Claim Statement are hereby approved and, if applicable, arrangements shall be made for French language translations of such forms. Notwithstanding the foregoing, the Payless Canada Entities with the consent of the Monitor may, from time to time, make non-substantive changes to the forms as the Payless Canada Entities may consider necessary or desirable.

7. **THIS COURT ORDERS** that the Payless Canada Entities and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of this Claims Procedure Order as to completion, execution and submission of such forms and to request any further documentation from a Claimant that the Payless Canada Entities or the Monitor may require.

8. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of

Canada daily average exchange rate on the Filing Date, which for United States dollar is USD 1.328:CAD 1.

9. **THIS COURT ORDERS** that there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

10. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be maintained by the Monitor. The Monitor shall promptly provide copies of all Proofs of Claim and Notices of Dispute of Claim Statement received by the Monitor in connection with the Claims Procedure to counsel for the Payless Canada Entities, Cassels Brock & Blackwell LLP, by email to Taschina Ashmeade (tashmeade@casselsbrock.com).

#### **ROLE OF THE MONITOR**

11. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other orders of the Court in the CCAA Proceedings, shall assist the Payless Canada Entities in the administration of the Claims Procedure provided for herein and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

12. **THIS COURT ORDERS** that the Monitor shall (i) have all protections afforded to it by the CCAA, this Claims Procedure Order, the Initial Order, any other Orders of the Court in the CCAA Proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order, including the stay of proceedings in its favour provided pursuant to the Initial Order; and (ii) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or wilful misconduct.

13. **THIS COURT ORDERS** that the Payless Canada Entities, the Officers, the Directors and their respective employees, agents and representatives and any other Person given notice of this Claims Procedure Order shall fully cooperate with the Monitor in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

#### **NOTICE TO CLAIMANTS**

14. **THIS COURT ORDERS** that:

- (a) the Monitor shall, not later than five (5) Business Days following the granting of the Claims Procedure Order, deliver on behalf of the Payless Canada Entities to each of the Known Claimants a copy of the Claim Document Package;
- (b) the Monitor shall cause to be published on or before May 1, 2019, the Notice to Claimants in the following newspapers: (i) *The Globe and Mail* (National Edition); and (ii) *Le Devoir*;
- (c) the Monitor shall post a copy of this Claims Procedure Order, the Applicants' Motion Record in respect of this Claims Procedure Order, and the Claim Document Package on the Monitor's Website;
- (d) the Monitor shall deliver as soon as reasonably possible following receipt of a request therefor, a copy of the Claim Document Package to any Person claiming to be a Claimant and requesting such material in writing; and
- (e) any notices of disclaimer or resiliation delivered to Claimants by the Payless Canada Entities or the Monitor after the date of this Order shall be accompanied by a Claim Document Package and upon becoming aware of any other circumstance giving rise to a Restructuring Period Claim, the Monitor shall send a Claim Document Package to the Claimant or may direct the Claimant to the documents posted on the Monitor's Website in respect of such Restructuring Period Claim.

15. **THIS COURT ORDERS** that the Monitor shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of the Payless Canada Entities regarding the Known Claimants. For greater certainty, the Monitor shall have no liability in respect of the information provided to it or otherwise obtained by it regarding the Known Claimants and shall not be required to conduct any independent inquiry and investigation with respect to that information.

#### **PROOFS OF CLAIM**

16. **THIS COURT ORDERS** that subject to paragraphs 18 to 22 below, to be effective, every Claimant asserting a Claim against any of the Payless Canada Entities or the Directors or Officers or any of them shall set out its aggregate Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Monitor so that it is actually

received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

17. **THIS COURT ORDERS** that if a Chapter 11 Proof of Claim is inadvertently filed in respect of any of the Payless Canada Entities and such Chapter 11 Proof of Claim would have been timely filed in accordance with the Chapter 11 Claims Procedure if such procedure applied to it, such Chapter 11 Proof of Claim will be deemed to be a Proof of Claim that has been timely delivered to the Monitor in accordance with the Claims Procedure. If in respect of any of the Payless Canada Entities (i) a Claimant has delivered a Proof of Claim to the Monitor in accordance with the Claims Procedure and has also filed a Chapter 11 Proof of Claim, the Proof of Claim delivered in accordance with the Claims Procedure shall govern, and (ii) a Claim Statement has been delivered to a Claimant and such Claimant has also filed a Chapter 11 Proof of Claim, the Claim Statement and the procedures related thereto specified in paragraphs 18 to 22 shall govern.

#### **CLAIM STATEMENT**

18. **THIS COURT ORDERS** that the Payless Canada Entities may elect, in consultation with the Monitor, to deliver a Claim Statement to Known Claimants by requesting that the Monitor include such Claim Statement in the Claim Document Package delivered to such Known Claimant pursuant to paragraph 14. Such Claim Statement shall be in substantially the form attached hereto as Schedule "D-1", Schedule "D-2", or Schedule "D-3" as applicable, and shall specify the classification, amount and nature of such Known Claimant's Claim as determined by the Payless Canada Entities, in consultation with the Monitor, based on the books and records of the Payless Canada Entities (the "**Listed Claim**").

19. **THIS COURT ORDERS** that any Claimant who does not dispute the classification, amount or nature of the Listed Claim set forth in the Claim Statement delivered to such Claimant is not required to take any further action and the Claim of such Claimant shall, subject to paragraph 21, be deemed to be the Listed Claim.

20. **THIS COURT ORDERS** that any Claimant who wishes to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement delivered to such Claimant or to assert an additional Claim in relation to the Payless Canada Entities other than the Listed Claim shall be required to deliver a Notice of Dispute of Claim Statement to the

Monitor so that it is actually received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

21. **THIS COURT ORDERS** that if, after the date on which a Claim Statement is initially delivered to a Claimant, the Payless Canada Entities, in consultation with the Monitor, determines that it is appropriate to change the classification, amount or nature of the Listed Claim set forth in such Claim Statement, the Monitor shall cause an amended Claim Statement (an "**Amended Claim Statement**") to be delivered to such Claimant, which Amended Claim Statement and the revised Listed Claim specified therein shall thereafter supersede any previous Claim Statement delivered to such Claimant. If the Claimant wishes to dispute the classification, amount and/or nature of the Listed Claim set forth in the Amended Claim Statement, such Claimant shall be required to deliver a Notice of Dispute of Claim Statement so that it is actually received by the Monitor on or before the later of (i) the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, and (ii) thirty (30) days after the date on which the Amended Claim Statement is delivered to the Claimant.

22. **THIS COURT ORDERS** that any Claimant that does not deliver a Notice of Dispute of Claim Statement in respect of a Claim Statement or an Amended Claim Statement, if applicable, pursuant to paragraphs 20 and 21, as applicable, shall be forever barred from disputing the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement or Amended Claim Statement, as applicable, and any Claim of a different classification or nature or in excess of the amount specified in the Claim Statement or Amended Claim Statement, as applicable, shall be forever barred and extinguished.

23. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order and given that the Payless Canada Entities are not subject to a bankruptcy or receivership proceeding at this time, any Claimant that does not deliver a Notice of Dispute of Claim Statement in connection with an Employee Claim Statement, shall not be barred from claiming additional amounts from Her Majesty in right of Canada or the Minister of National Revenue in respect of his or her entitlement to any future amounts claimable under WEPPA (an "**Additional WEPPA Claim**") should WEPPA apply, provided that in no circumstances shall any Person other than Her Majesty in right of Canada or the Minister of National Revenue have any liability whatsoever for any Additional WEPPA Claim.

## **D&O INDEMNITY CLAIMS**

24. **THIS COURT ORDERS** that to the extent that any Director/Officer Claim is filed in accordance with this Claims Procedure or a Listed Claim includes a Director/Officer Claim, a corresponding D&O Indemnity Claim shall be deemed to have been timely filed in respect of each of each Director/Officer Claim. For the avoidance of doubt, Directors and Officers shall not be required take any action or to file Proof of Claim in respect of such D&O Indemnity Claim.

## **CLAIMS BARRED**

25. **THIS COURT ORDERS** that, subject to paragraphs 18 to 22, any Person that does not deliver a Proof of Claim in respect of a Claim in the manner required by this Claims Procedure Order so that it is actually received by the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable:

- (a) shall not be entitled to attend or vote at a Meeting in respect of such Claim;
- (b) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise;
- (c) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List); and
- (d) shall be and is hereby forever barred from making or enforcing such Claim against the Payless Canada Entities, or the Directors or Officers or any of them, and such Claim shall be and is hereby extinguished without any further act or notification.

For greater certainty, this paragraph shall not apply to Excluded Claims and the rights of any Person (including the Payless Canada Entities) with respect to Excluded Claims are expressly reserved.

## **SET-OFF**

26. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall affect any right of set-off that any of the Payless Canada Entities may have against any Person.

## **TRANSFER OF CLAIMS**

27. **THIS COURT ORDERS** that if the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Payless Canada Entities shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until written notice of such transfer or assignment, together with evidence satisfactory to the Monitor, in its sole discretion, of such transfer or assignment, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receiving written confirmation by the Monitor acknowledging such assignment or transfer. After the Monitor has delivered a written confirmation acknowledging the notice of the transfer or assignment of a Claim, the Payless Canada Entities and the Monitor shall thereafter be required only to deal with the transferee or assignee and not the original holder of the Claim. A transferee or assignee of a Claim takes the Claim subject to any defences and rights of set-off to which the Payless Canada Entities may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Payless Canada Entities. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

28. **THIS COURT ORDERS** that if a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Payless Canada Entities and the Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound

by any notices given or steps taken in respect of such Claim with such Claimant or in accordance with the provisions of this Claims Procedure Order.

#### **DETERMINATION OF CLAIMS**

29. **THIS COURT ORDERS** that, except as contemplated by paragraphs 19 and 22, the applicable procedures for reviewing and determining Claims, if any, shall be established by further Order of the Court.

#### **SERVICE AND NOTICE**

30. **THIS COURT ORDERS** that the Payless Canada Entities and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered the Claim Document Package, any letters, notices or other documents to Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Payless Canada Entities or set out in such Claimant's Proof of Claim or Notice of Dispute of Claim Statement, if one has been filed. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Canada, and the fifth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

31. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant to the Monitor under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or email addressed to:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. on a Business Day or if delivered outside of normal business hours, the next Business Day.

32. **THIS COURT ORDERS** that the posting of materials on the Monitor's Website pursuant to paragraph 14(c), the publication of the Notice to Claimants and the mailing of the Claim Document Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Claimants of the Claims Bar Date, the Restructuring Period Claims Bar Date and the other deadlines and procedures set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the claims procedure described herein.

33. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is subsequently amended by further Order of the Court, the Payless Canada Entities shall serve notice of such amendment on the Service List in these proceedings and the Monitor shall post such further Order on the Monitor's Website and such posting shall constitute adequate notice to all Persons of such amendment.

#### **GENERAL**

34. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Monitor or the Payless Canada Entities of Proofs of Claim, the delivery of Claim Document Packages to Known Claimants, and the filing by any Person of any Proof of Claim or Notice of Dispute of Claim Statement shall not, for that reason only, grant any Person any standing in the CCAA Proceedings or rights under a Plan.

35. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall prejudice the rights and remedies of any Directors or Officers or other Persons under the Directors' Charge or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Payless Canada Entities' insurance and any Director's or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or the Payless Canada Entities; provided, however, that nothing in this Claims Procedure Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Claims Procedure Order limit, remove, modify or alter any defence to such Claim available to the insurer pursuant

to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that the Person is covered by, the Payless Canada Entities' insurance or any Director's or Officer's liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons shall not be recoverable as against the Payless Canada Entities or Director or Officer, as applicable.

36. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of Claims into particular classes for the purpose of the Plan and, for greater certainty, the treatment of Claims, or any other claims and the classification of creditors for voting and distribution purposes, shall be subject to the terms of a Plan or further Order of this Court.

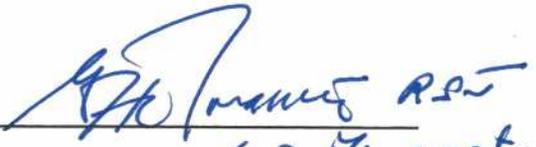
37. **THIS COURT ORDERS** that the Payless Canada Entities or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of their respective powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Claims Procedure Order and to assist the Payless Canada Entities, the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Payless Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, to grant representative status to the Payless ShoeSource Canada Inc. in any foreign proceeding, or to assist the Payless Canada Entities and the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order.

39. **THIS COURT ORDERS** that this Claims Procedure Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Claims Procedure Order.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 24 2019

  
G. B. Morawetz R.S.J.

PER / PAR: 

SCHEDULE "A"

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**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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**A. CLAIMS PROCEDURE**

By Order of the Ontario Superior Court of Justice (Commercial List) made April 24, 2019 (the "**Claims Procedure Order**"), the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**"), has been authorized to assist the Payless Canada Entities in conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Payless Canada Entities and their present or former Directors and Officers ("**Directors/Officers**") in accordance with the terms of the Claims Procedure Order.

A similar claims process has also been established by the U.S. Bankruptcy Court with respect to the U.S. Debtors other than the Payless Canada Entities (the "**Chapter 11 Claims Procedure**"). The Order of the U.S. Bankruptcy Court granted in respect of the Chapter 11 Claims Procedure provides that it does not apply to the Payless Canada Entities or claims against the Payless Canada Entities, other than certain limited matters relating to notice and coordination. The Claims Procedure Order governs all claims against the Payless Canada Entities.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

This letter provides instructions for responding to or completing the Proof of Claim or a Notice of Dispute of Claim Statement. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against the Payless Canada Entities or the Directors/Officers of the Payless Canada Entities, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of "Claim", "Prefiling Claim", "Restructuring Period Claim" and "Director/Officer Claim" to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255

Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

## **B. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM**

Unless you are a Listed Claimant (as defined below), if you believe that you have a Claim against the Payless Canada Entities or the Directors or Officers of any of the Payless Canada Entities, you must file a Proof of Claim with the Monitor.

If a Chapter 11 Proof of Claim relating to the Payless Canada Entities is inadvertently filed in accordance with the Chapter 11 Claims Procedure (including by the claims bar dates specified therein) as if such procedure otherwise applied to the Payless Canada Entities, the Chapter 11 Proof of Claim will be deemed to have been filed with the Monitor in accordance with the Claims Procedure. If both a Proof of Claim and Chapter 11 Proof of Claim are timely filed, the Proof of Claim delivered in accordance with the Claims Procedure shall govern.

All **Proofs of Claim for Prefiling Claims** (i.e., Claims against the Payless Canada Entities arising prior to the Filing Date) and all **Director/Officer Claims** must be received by the Monitor **before 11:59 p.m. (Central Time) on June 7, 2019** (the "**Claims Bar Date**").

All **Proofs of Claim for Restructuring Period Claims** (i.e. Claims against the Payless Canada Entities arising on or after the Filing Date) must be received by the Monitor **before 11:59 p.m. (Central Time) on the date that is the later of (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim** (the "**Restructuring Period Claims Bar Date**").

**PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the date of the Initial Order.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the telephone numbers and address indicated above and providing particulars as to your name, address and facsimile number or email mail address. Additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

## **C. FOR CLAIMANTS WHO RECEIVE A CLAIM STATEMENT**

Certain Known Claimants of the Payless Canada Entities (each a "**Listed Claimant**") will receive a Claim Statement from the Monitor specifying the classification, amount and nature of such Claimant's Claim as determined by the Payless Canada Entities, in consultation with the Monitor, based on the books and records of the Payless Canada Entities (the "**Listed Claim**").

If you receive a Claim Statement and you do not dispute the classification, amount or nature of the Listed Claim, you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

If you wish to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement or to assert an additional Claim in relation to the Payless Canada Entities other than the Listed Claim, you are required to deliver a Notice of Dispute of Claim Statement to the Monitor so that it is actually received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

If a completed Notice of Dispute of Claim Statement in respect of a Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity.

SCHEDULE "B"

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**NOTICE TO CLAIMANTS**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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**RE: NOTICE OF CLAIMS PROCEDURE AND CLAIMS BAR DATE**

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "**Claims Procedure Order**") in proceedings in respect of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The Court has ordered that the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**"), assist the Payless Canada Entities with conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Payless Canada Entities and their present and former Directors and Officers ("**Directors/Officers**"). The Monitor is required to send Claim Document Packages to the Payless Canada Entities' Known Claimants. All capitalized terms herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

**A. Submission of Proof of Claim**

With the exception of Listed Claimants (as defined below), all persons wishing to assert a Claim against the Payless Canada Entities or the Directors/Officers must file a Proof of Claim with the Monitor.

**THE CLAIMS BAR DATE is 11:59 p.m. (Central Time) on June 7, 2019.** Proofs of Claim in respect of Prefiling Claims and Director/Officer Claims must be completed and filed with the Monitor on or before the Claims Bar Date.

**THE RESTRUCTURING PERIOD CLAIMS BAR DATE is 11:59 p.m. (Central Time) on the date that is the later of (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim (the "Restructuring Period Claims Bar Date").** Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the Restructuring Period Claims Bar Date.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not

be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claims.

Reference should be made to the enclosed material for the complete definitions of "Claim", "Prefiling Claim", "Restructuring Period Claim" and "Director/Officer Claim" to which the Claims Procedure applies.

#### **B. Listed Claimants Receiving a Claim Statement**

Certain Known Claimants of the Payless Canada Entities (each a "**Listed Claimant**") will receive a Claim Statement from the Monitor specifying the classification, amount and nature of such party's Claim as determined by the Payless Canada Entities, in consultation with the Monitor, based on the books and records of the Payless Canada Entities (the "**Listed Claim**").

If you receive a Claim Statement and you do not dispute the classification, amount or nature of the Listed Claim, you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

If you wish to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement or to assert an additional Claim in relation to any of the Payless Canada Entities other than the Listed Claim, you are required to deliver a Notice of Dispute of Claim Statement to the Monitor so that it is received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

If a completed Notice of Dispute of Claim Statement in respect of a Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

#### **C. Monitor Contact Information**

The Monitor can be contacted at the following address to request a Claim Document Package or for any other notices or enquiries with respect to the Claims Procedure:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101  
E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of

the Payless Canada Entities, and not  
in its personal capacity.

SCHEDULE "C"

**PROOF OF CLAIM**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms not defined herein have the meanings given to such terms in the Claims Procedure Order dated April 24, 2019.

**I. PARTICULARS OF CLAIMANT:**

1. 1. Full Legal Name of Claimant:  
\_\_\_\_\_ (the "Claimant")

2. Full Mailing Address of the Claimant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Telephone Number: \_\_\_\_\_

4. E-Mail Address: \_\_\_\_\_

5. Facsimile Number: \_\_\_\_\_

6. Attention (*Contact Person*): \_\_\_\_\_

7. Have you acquired this Claim by assignment?  
Yes:  No:  (*if yes, attach documents evidencing assignment*)

If Yes, Full Legal Name of Original Claimant(s):

**II. PROOF OF CLAIM:**

1. I, \_\_\_\_\_  
(*name of Claimant or Representative of the Claimant*), of \_\_\_\_\_  
\_\_\_\_\_ do hereby certify:  
(*city and province*)

- (a) that I [check (✓) one]
- am the Claimant; OR
- am \_\_\_\_\_ (state position or title) of

\_\_\_\_\_  
(name of Claimant)

- (b) that I have knowledge of all the circumstances connected with the Claim referred to below;
- (c) that one or more of the Payless Canada Entities and/or the Directors/Officers of the Payless Canada Entities were and still are indebted to the Claimant as follows:<sup>1</sup>

Debtor	Prefiling Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Payless ShoeSource Canada Inc.			
Payless ShoeSource Canada GP Inc.			
Payless ShoeSource Canada LP			
Directors and Officers of the Payless Canada Entities			
_____ (insert names above)			

Debtor	Restructuring Period Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Payless ShoeSource Canada Inc.			
Payless ShoeSource Canada GP Inc.			
Payless ShoeSource Canada LP			
Directors and Officers of the Payless Canada Entities			
_____ (insert names above)			

<sup>1</sup> (Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate for February 19, 2019. The Canadian Dollar/U.S. Dollar daily average exchange rate on that date was CAD\$1/ USD\$1.323.)

**III. PARTICULARS OF CLAIM**

The particulars of the undersigned's total Claim (including Prefiling Claims, Restructuring Period Claims and Director/Officer Claims) are attached.

*(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. Include the relevant store location and number if applicable. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)*

**IV. FILING OF CLAIM**

For **Prefiling Claims** and all **Director/Officer Claims**, this Proof of Claim must be received by the Monitor **before 11:59 p.m. (Central Time) on June 7, 2019** (the "**Claims Bar Date**").

For **Restructuring Period Claims**, this Proof of Claim must be received by the Monitor **before 11:59 p.m. (Central Time) on the date that is the later of: (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim** (the "**Restructuring Period Claims Bar Date**").

In both cases, completed forms must be delivered by prepaid ordinary mail, courier, personal delivery or electronic transmission at the following address:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

**Failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable, will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the applicable Payless Canada Entities or Director/Officer, as applicable.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Signature of Claimant

SCHEDULE "D-1"

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**GENERAL CLAIM STATEMENT**

**(for Prefiling Claims and Restructuring Period Claims)**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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**Claim Reference Number:** [Insert Claim Reference Number]  
**Store Number (if applicable):** [Insert Store Number, if applicable]  
**To:** [Insert Name of Known Claimant] (the  
"Claimant")  
[Insert Address of Known Claimant]

This General Claim Statement is delivered to the Claimant, as a Known Claimant of one or more of the Payless Canada Entities and/or their Directors or Officers as noted below, pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "**Claims Procedure Order**") in proceedings in respect of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Pursuant to the Claims Procedure Order, the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**"), has been directed to assist the Payless Canada Entities in conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Payless Canada Entities and their present or former Directors and Officers in accordance with the terms of the Claims Procedure Order. Unless otherwise defined, all capitalized terms used herein have the meanings given to those terms in the Claims Procedure Order.

According to the books, records and other relevant information in the possession of the Payless Canada Entities, the Claim of the Claimant is set out in the table below (the "**Listed Claim**"):

<b>Debtor(s)</b>	<b>Classification of Claim</b>	<b>Amount of Claim<sup>1,2</sup></b>	<b>Nature of Claim</b>
[name of Payless Canada Entity or Director/Officer]	[Prefiling Claim / Restructuring Period Claim]	[Insert amount of Claim]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]

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<sup>1</sup> Amount is in Canadian dollars. Claims in a foreign currency have been converted to Canadian dollars at the Bank of Canada daily average exchange rate for February 19, 2019. The Canadian dollar/U.S. dollar daily average exchange rate for that date was CAD\$1/ USD\$1.323.

<sup>2</sup> If applicable, additional information with respect to the Listed Claim is provided in a schedule to this Claim Statement.

If the Listed Claim accurately reflects the Claim that the Claimant has in respect of such Payless Canada Entity(ies) (or any Director/Officer Claim), you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

**If the Claimant wishes to dispute the classification, amount and/or nature of the Listed Claim or to assert an additional Claim against any of the Payless Canada Entities or the Directors or Officers other than the Listed Claim (including any Restructuring Period Claim), the Claimant must complete the enclosed Notice of Dispute of Claim Statement** and deliver it to the Monitor such that it is received by the Monitor by no later than **11:59 p.m. (Central Time)** on June 7, 2019 (the "**Claims Bar Date**") or, solely in respect of a Restructuring Period Claim, by **11:59 p.m. (Central Time)** on the day that is the later of (i) the Claims Bar Date, and (ii) thirty (30) days after the date on which the Monitor delivered the Claim Document Package to the Claimant (the "**Restructuring Period Claims Bar Date**").

If a completed Notice of Dispute of Claim Statement in respect of the Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE GENERAL CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

Claimants requiring further information or Claim documentation, or who wish to submit a Notice of Dispute of Claim Statement, may contact the Monitor at the following address:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity

SCHEDULE "D-2"

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**EMPLOYEE CLAIM STATEMENT**

**(for Prefiling Claims and Restructuring Period Claims)**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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**Claim Reference Number:** [Insert Claim Reference Number]  
**Store Number (if applicable):** [Insert Store Number, if applicable]  
**To:** [Insert Name of Known Claimant] (the  
"Claimant")  
[Insert Address of Known Claimant]

This Employee Claim Statement is delivered to the Claimant, as a Known Claimant of one or more of the Payless Canada Entities and/or their Directors or Officers as noted below, pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "**Claims Procedure Order**") in proceedings in respect of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Pursuant to the Claims Procedure Order, the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**"), has been directed to assist the Payless Canada Entities in conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Payless Canada Entities and their present or former Directors and Officers in accordance with the terms of the Claims Procedure Order. Unless otherwise defined, all capitalized terms used herein have the meanings given to those terms in the Claims Procedure Order.

According to the books, records and other relevant information in the possession of the Payless Canada Entities, the Claim of the Claimant is set out in the table below (the "**Listed Claim**"):

<b>Debtor(s)</b>	<b>Classification of Claim</b>	<b>Amount of Claim<sup>1, 2</sup></b>	<b>Nature of Claim</b>
[name of Payless Canada Entity or Director/Officer]	[Prefiling Claim / Restructuring Period Claim]	[Insert amount of Claim]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]

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<sup>1</sup> Amount is in Canadian dollars. Claims in a foreign currency have been converted to Canadian dollars at the Bank of Canada daily average exchange rate for February 19, 2019. The Canadian dollar/U.S. dollar daily average exchange rate for that date was CAD\$1/ USD\$1.323.

<sup>2</sup> If applicable, additional information with respect to the Listed Claim is provided in a schedule to this Claim Statement.

If the Listed Claim accurately reflects the Claim that the Claimant has in respect of such Payless Canada Entity(ies) (or any Director/Officer Claim), you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

**Please note that the Listed Claim is calculated based on your statutory entitlement to termination and severance pay.**

**If the Claimant wishes to dispute the classification, amount and/or nature of the Listed Claim or to assert an additional Claim (based on common law, contract or otherwise) against any of the Payless Canada Entities or the Directors or Officers other than the Listed Claim, the Claimant must complete the enclosed Notice of Dispute of Claim Statement and deliver it to the Monitor such that it is received by the Monitor by no later than 11:59 p.m. (Central Time) on June 7, 2019 (the "Claims Bar Date") or, solely in respect of a Restructuring Period Claim, by 11:59 p.m. (Central Time) on the day that is the later of (i) the Claims Bar Date, and (ii) thirty (30) days after the date on which the Monitor delivered the Claim Document Package to the Claimant (the "Restructuring Period Claims Bar Date").**

If a completed Notice of Dispute of Claim Statement in respect of the Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE EMPLOYEE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

Claimants requiring further information or Claim documentation, or who wish to submit a Notice of Dispute of Claim Statement, may contact the Monitor at the following address:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity

SCHEDULE "D-3"

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**LANDLORD CLAIM STATEMENT**

**(for Prefiling Claims and Restructuring Period Claims)**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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**Claim Reference Number:** [Insert Claim Reference Number]  
**Store Number (if applicable):** [Insert Store Number, if applicable]  
**To:** [Insert Name of Known Claimant] (the  
"Claimant")  
[Insert Address of Known Claimant]

This Landlord Claim Statement is delivered to the Claimant, as a Known Claimant of one or more of the Payless Canada Entities and/or their Directors or Officers as noted below, pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "**Claims Procedure Order**") in proceedings in respect of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Pursuant to the Claims Procedure Order, the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**"), has been directed to assist the Payless Canada Entities in conducting a claims procedure (the "**Claims Procedure**") with respect to claims against the Payless Canada Entities and their present or former Directors and Officers in accordance with the terms of the Claims Procedure Order. Unless otherwise defined, all capitalized terms used herein have the meanings given to those terms in the Claims Procedure Order.

According to the books, records and other relevant information in the possession of the Payless Canada Entities, the Claim of the Claimant is set out in the table below (the "**Listed Claim**"):

<b>Debtor(s)</b>	<b>Classification of Claim</b>	<b>Amount of Claim<sup>1, 2</sup></b>	<b>Nature of Claim</b>
[name of Payless Canada Entity or Director/Officer]	[Prefiling Claim / Restructuring Period Claim]	[Insert amount of Claim]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]

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<sup>1</sup> Amount is in Canadian dollars. Claims in a foreign currency have been converted to Canadian dollars at the Bank of Canada daily average exchange rate for February 19, 2019. The Canadian dollar/U.S. dollar daily average exchange rate for that date was CAD\$1/ USD\$1.323.

<sup>2</sup> If applicable, additional information with respect to the Listed Claim is provided in a schedule to this Claim Statement.

If the Listed Claim accurately reflects the Claim that the Claimant has in respect of such Payless Canada Entity(ies) (or any Director/Officer Claim), you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

Please note that the Listed Claim is only representative of your Prefiling Claim and that the Listed Claim does not list any Restructuring Period Claim you may have. If you have a Restructuring Period Claim, you must file a Notice of Dispute of Claim Statement and include such claim.

**If the Claimant wishes to dispute the classification, amount and/or nature of the Listed Claim or to assert an additional Claim against any of the Payless Canada Entities or the Directors or Officers other than the Listed Claim (including any Restructuring Period Claim), the Claimant must complete the enclosed Notice of Dispute of Claim Statement** and deliver it to the Monitor such that it is received by the Monitor by no later than **11:59 p.m. (Central Time)** on June 7, 2019 (the “**Claims Bar Date**”) or, solely in respect of a Restructuring Period Claim, by **11:59 p.m. (Central Time)** on the day that is the later of (i) the Claims Bar Date, and (ii) thirty (30) days after the date on which the Monitor delivered the Claim Document Package to the Claimant (the “**Restructuring Period Claims Bar Date**”).

If a completed Notice of Dispute of Claim Statement in respect of the Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE LANDLORD CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

Claimants requiring further information or Claim documentation, or who wish to submit a Notice of Dispute of Claim Statement, may contact the Monitor at the following address:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity

SCHEDULE "E"

**NOTICE OF DISPUTE OF CLAIM STATEMENT**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

Capitalized terms not defined herein have the meanings given to them in the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "Claims Procedure Order") or the Claim Statement.

**I. PARTICULARS OF CLAIMANT**

**Claim Reference Number:** [Insert Claim Reference Number listed on Claim Statement] (the "Claim Statement").

**Full Legal Name of Claimant:** \_\_\_\_\_

**Full Mailing Address of Claimant:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Attention (Contact Person):** \_\_\_\_\_

Have you acquired this Claim by assignment?

Yes:  No:  (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Claimant(s): \_\_\_\_\_

**II. DISPUTE OF CLAIM SET OUT IN CLAIM STATEMENT**

The Claimant hereby disputes the classification, amount and/or nature of the Listed Claim set out in the Claim Statement and asserts the Claim(s) as set out in the following table:

	<b>Classification of Claim</b>	<b>Amount of Claim</b>	<b>Nature of Claim</b>
<b>Name of Debtor or Director/Officer</b>	[Prefiling Claim / Restructuring Period Claim/Director/Officer Claim]	[Insert amount of Claim]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]



Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

If a completed Notice of Dispute of Claim Statement in respect of the Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER  
(CLAIMS PROCEDURE ORDER)

**Cassels Brock & Blackwell LLP**

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ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP*